

Message Text

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ORIGIN EUR-12

INFO OCT-01 ISO-00 AGRE-00 CEA-01 CIAE-00 COME-00
DODE-00 EB-08 FRB-01 H-02 INR-10 INT-05 L-03
LAB-04 NSAE-00 PA-02 CTME-00 AID-05 SS-15 STR-07
ITC-01 TRSE-00 SP-02 SOE-02 OMB-01 DOE-15 NSCE-00
SSO-00 ICAE-00 INRE-00 JUSE-00 /097 R

DRAFTED BY EUR/EE:TGERTH:JF
APPROVED BY EUR/EE:CWSCHMIDT
-----063054 081801Z /14
O 081745Z APR 78
FM SECSTATE WASHDC
TO AMEMBASSY BUDAPEST IMMEDIATE

UNCLAS STATE 091027

E.O. 11652: N/A

TAGS: PERP, EEW, HU, US

SUBJECT: HUNGARIAN TRADE AGREEMENT - WHITE HOUSE PRESS
RELEASE

1. FOLLOWING IS THE TEXT OF APRIL 7 WHITE HOUSE PRESS RELEASE (ATTACHED DOCUMENTATION BEING SENT SEPTELS).
2. BEGIN TEXT: "PRESIDENT CARTER TODAY SIGNED AND SENT TO THE SPEAKER OF THE HOUSE AND THE PRESIDENT OF THE SENATE A SERIES OF DOCUMENTS RELATING TO A TRADE AGREEMENT WITH HUNGARY. THE AGREEMENT WAS NEGOTIATED EARLIER THIS YEAR AND SIGNED IN BUDAPEST ON MARCH 17 BY US AMBASSADOR TO HUNGARY PHILIP KAISER AND HUNGARIAN MINISTER FOR FOREIGN TRADE JOZSEF BIRO.
3. UNDER THE TRADE ACT THE UNITED STATES MUST CONCLUDE A TRADE AGREEMENT WITH A NONMARKET-ECONOMY COUNTRY BEFORE UNCLASSIFIED

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MOST FAVORED NATION (MFN) TARIFF TREATMENT CAN BE EXTENDED. THE TRADE ACT REQUIRES THE CONCURRENCE OF BOTH HOUSES OF CONGRESS BEFORE THE AGREEMENT CAN TAKE EFFECT. THIS AGREEMENT WITH HUNGARY PROVIDES FOR MFN TREATMENT ON A RECIPROCAL BASIS, FOR BUSINESS FACILITIES, MARKET DISRUPTION SAFEGUARDS, AND OTHER MEASURES AS REQUIRED BY THE TRADE ACT.

THIS STEP IS INTENDED TO PROMOTE THE CONTINUED DEVELOPMENT OF ECONOMIC RELATIONS BETWEEN THE TWO COUNTRIES, AND IT MARKS FURTHER PROGRESS IN THE IMPROVEMENT OF US-HUNGARIAN RELATIONS.

4. SECTION 402 OF THE TRADE ACT (THE JACKSON-VANIK AMENDMENT) REQUIRES THAT THE PRESIDENT REPORT TO CONGRESS THAT HE HAS RECEIVED ASSURANCES REGARDING THE FUTURE EMIGRATION PRACTICE OF COUNTRIES INVOLVED. IN HIS LETTERS TO THE CONGRESSIONAL LEADERS, THE PRESIDENT NOTES THAT HUNGARY HAS FOLLOWED A GENERALLY POSITIVE POLICY ON EMIGRATION, THAT CONVERSATIONS ON THE SUBJECT BETWEEN THE US AND HUNGARIAN GOVERNMENTS HAVE TAKEN PLACE REGULARLY FOR WELL OVER A YEAR, AND THE HUNGARIAN GOVERNMENT HAS STATED "THAT ITS POLICY IS, AND WILL CONTINUE TO BE, TO DEAL WITH EMIGRATION MATTERS IN A RESPONSIVE AND HUMANITARIAN WAY." ON THESE GROUNDS, THE PRESIDENT HAS ISSUED A WAIVER AS REQUIRED BY THE TRADE ACT.

5. POLAND AND YUGOSLAVIA HAVE HAD MFN TARIFF TREATMENT FOR SEVERAL YEARS; AND THE US NEGOTIATED A TRADE AGREEMENT PROVIDING MFN TREATMENT TO ROMANIA IN 1975 UNDER TERMS OF THE TRADE ACT. IN 1977 US EXPORTS TO HUNGARY WERE VALUED AT \$80 MILLION WHILE IMPORTS WERE \$47 MILLION." END TEXT.

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: TRADE AGREEMENTS, PRESS RELEASES
Control Number: n/a
Copy: SINGLE
Draft Date: 08 apr 1978
Decapton Date: 01 jan 1960
Decapton Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 jan 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE091027
Document Source: CORE
Document Unique ID: 00
Drafter: TGERTH:JF
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780152-0918
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780477/aaaacnkd.tel
Line Count: 86
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 25a9aab3-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EUR
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 29 mar 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3028152
Secure: OPEN
Status: NATIVE
Subject: HUNGARIAN TRADE AGREEMENT - WHITE HOUSE PRESS RELEASE
TAGS: PEPR, EEW, HU, US
To: BUDAPEST
Type: TE
vdkgvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/25a9aab3-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014